

COUNCIL AGENDA: 11-16-04

ITEM: 8.1(a)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ralph G. Tonseth

SUBJECT: SEE BELOW

DATE: October 27, 2004

Approved

Date

11/4/04

Council District: Citywide

**SUBJECT: THIRD AMENDMENT TO THE AGREEMENT WITH AVAIRPROS, INC.
FOR CONSULTING SERVICES FOR THE NORMAN Y. MINETA SAN JOSE
INTERNATIONAL AIRPORT**

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute the third amendment to the agreement with AvAirPros, Inc. for consulting services related to technical, financial, and operational issues during implementation of the Master Plan, increasing compensation by \$240,000, from \$250,000, for a total agreement amount not to exceed \$490,000, and extending the term of the agreement from December 31, 2004 to December 15, 2005.

BACKGROUND

On March 27, 2002, a City Manager's agreement was approved with AvAirPros that provided consultant services for security review and airline coordination of proposed security related projects. AvAirPros, Inc. was selected based on the results of a formal competitive consultant selection process that took place in February 2002. AvAirPros was the only consultant firm that responded to the RFQ process. A selection committee comprised of Airport staff and representatives from Southwest, American and United Airlines evaluated a written proposal and an oral presentation. AvAirPros was recommended to provide the required consultant services.

Under the existing agreement, AvAirPros assisted staff in reviewing the new Federal security requirements and coordinating security issues with the airlines serving the Airport. These new Federal security requirements and the projects to implement the new regulations were extensive, requiring modifications to existing security screening equipment and installation of new security screening equipment in both Terminals. The agreement with AvAirPros was amended in August 2002, increasing the compensation and extending the term to June 30, 2003, to continue the

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review of projects proposed by the Transportation Security Administration and to coordinate implementation of projects with the airlines serving the Airport. In May 2004, the Director of Aviation extended the term of the agreement to December 31, 2004, pursuant to the terms of the Agreement.

ANALYSIS

AvAirPros has performed satisfactorily under the current contract. Their services are needed to continue to provide support during the implementation of the Master Plan projects. The work to be performed under the proposed amendment includes the establishment of an Airline Liaison Office (ALO) that will manage the interface between the Airport and the Airlines during the design, construction and commissioning phases of the Airport Master Plan implementation. The ALO will serve as the primary point of contact between the Airport and the Airlines, provide ongoing assistance to address airline/airport technical and operational issues that arise, and facilitate airline stakeholder input in the development of Airport projects. The proposed amendment provides for a continuation of these services through a one-year extension to the existing contract.

PUBLIC OUTREACH

The Airport has conducted numerous citywide and neighborhood community meetings to receive input on the various transportation and terminal concepts under consideration. As these projects increase in number and complexity, additional community meetings will be held to exchange information essential to the design process. In addition, stakeholder input will be sought as part of the programming efforts on the North Concourse to ensure that this facility reflects the unique nature of the City of San José and the region.

COORDINATION

This consultant agreement amendment and memo have been coordinated with the Budget Office and the City Attorney's Office.

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COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$240,000

2. COST OF PROJECT (Through Second Amendment):

Original Agreement	\$50,000
First Amendment	100,000
Second Amendment	<u>100,000</u>
TOTAL	\$250,000

3. SOURCE OF FUNDING: 527 – Airport Renewal and Replacement Fund

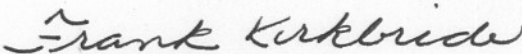
4. FISCAL IMPACT: The proposed amendment will increase the not-to-exceed cost of the existing agreement by \$240,000, for a total agreement amount of \$490,000. This recommendation is consistent with the Council-approved Mayor's Budget Strategy, General Principles #5, "We must be open to alternative ways to deliver services through appropriate community partnerships, public-private partnerships and by outsourcing or bringing services back in-house to be delivered by city staff." The services provided through this agreement are requested by the airlines serving the Airport. The project has been reviewed, and was determined to have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn 2004-05	Amt. for Contract	FY2004-05 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
527	4007	Advanced Planning	121273	\$631,000	\$240,000	V-96	10/12/04 Ord. No. 27267

CEQA

Resolutions No. 67380 and 71451, PP 04-288

for 
RALPH G. TONSETH
Director of Aviation
Airport Department